



**NEWS RELEASE**  
*For immediate release*

## **Kruger Products to shut down older production assets in Memphis Plant will continue to produce TAD & facial tissue products**

**Mississauga (ON), November 14, 2022** - KP Tissue Inc. (KPT) (TSX: KPT) and Kruger Products announced today that it will shut down certain older and inefficient production assets including a Light Dry Crepe paper machine and six converting lines in early January, 2023 in Memphis, Tennessee. High quality facial tissue and premium Through Air Dry ("TAD") products will continue to be produced at its Memphis plant by approximately 400 remaining employees. The 165 employees impacted by this decision will receive severance and employment transition support. The Memphis plant is operated by Kruger Products' subsidiary, K.T.G. (USA) Inc. and after the asset shutdown will have a production capacity of 85,000 Metric Tonnes.

"While this is a difficult decision, it is necessary to ensure the continued success, competitiveness, and growth of our Memphis plant. We have invested over \$400 million (USD) at our Memphis plant since 2010 and it will continue to be an important part of our business. We would like to sincerely thank our employees for their ongoing dedication and hard work." said Dino Bianco, CEO of Kruger Products.

The shutdown of these older assets will improve our operating efficiencies and have a positive impact on the profitability of our Memphis operations. Kruger Products will also be working closely with our customers to make this a seamless transition.

### **About KP Tissue Inc. (KPT)**

KPT was created to acquire, and its business is limited to holding, a limited partnership interest in KPLP, which is accounted for as an investment on the equity basis. KPT currently holds a 13.9% interest in KPLP. For more information visit [www.kptissueinc.com](http://www.kptissueinc.com).

### **About Kruger Products L.P. (KPLP)**

KPLP is Canada's leading manufacturer of quality tissue products for household, industrial and commercial use. KPLP serves the Canadian consumer market with such well-known brands as Cashmere®, Purex®, SpongeTowels®, Scotties®, White Swan® and Bonterra™. In the U.S., KPLP manufactures the White Cloud® brand, as well as many private label products. The Away-From-Home division manufactures and distributes high-quality, cost-effective product solutions to a wide range of commercial and public entities. KPLP has approximately 2,700 employees and operates nine FSC® COC-certified (FSC® C-104904) production facilities in North America. For more information visit [www.krugerproducts.ca](http://www.krugerproducts.ca).

### **Forward-Looking Statements**

Certain statements in this press release about KPT's and KPLP's current and future plans, expectations and intentions, results, levels of activity, performance, goals or achievements or any other future events or developments constitute forward-looking statements. Forward-looking statements in this press release include, but are not limited to, statements regarding the continued success, competitiveness and growth of our Memphis plant, the impact of the shutdown on our productivity and productivity and profitability and the amount of severance and closure costs relating to the shutdown. The words "may", "will", "would", "should", "could", "expects", "plans", "intends", "trends", "indications", "anticipates", "believes", "estimates", "predicts", "likely" or "potential" or the negative or other variations of these words or other comparable words or phrases, are intended to identify forward-looking statements. The forward-looking statements are based on certain key expectations and assumptions made by KPT or KPLP. Although KPT and KPLP believe that the expectations and assumptions on which such forward-looking information is based are reasonable, undue reliance should not be placed on the forward-looking statements since no assurance can be given that such expectations and assumptions will prove to be correct.

Many factors could cause KPLP's actual results, level of activity, performance or achievements or future events or developments (which could in turn affect the economic benefits derived from KPT's economic interest in KPLP), to differ materially from those expressed or implied by the forward-looking statements, including, without limitation, the following factors, which are discussed in greater detail in the "Risk Factors – Risks Related to KPLP's Business" section of the KPT Annual Information Form dated March 10, 2022 available on SEDAR at [www.sedar.com](http://www.sedar.com): Kruger Inc.'s influence over KPLP; KPLP's reliance on Kruger Inc.; consequences of an event of insolvency relating to Kruger Inc.; risks associated with the TAD Sherbrooke Project; risks associated with the Sherbrooke Expansion Project; operational risks; significant increases in input costs; reduction in supply of fibre; increased pricing pressure and intense competition; KPLP's inability to innovate effectively; adverse economic conditions;

dependence on key retail trade customers; damage to the reputation of KPLP or KPLP's brands; KPLP's sales being less than anticipated; KPLP's failure to implement its business and operating strategies; KPLP's obligation to make regular capital expenditures; KPLP's entering into unsuccessful acquisitions; KPLP's dependence on key personnel; KPLP's inability to retain its existing customers or obtain new customers; KPLP's loss of key suppliers; KPLP's failure to adequately protect its intellectual property rights; KPLP's reliance on third party intellectual property licenses; adverse litigation and other claims affecting KPLP; material expenditures due to comprehensive environmental regulation affecting KPLP's cash flow; KPLP's pension obligations are significant and can be materially higher than predicted if KPLP Management's underlying assumptions are incorrect; labour disputes adversely affecting KPLP's cost structure and KPLP's ability to run its plants; exchange rate and U.S. competitors; KPLP's inability to service all of its indebtedness; exposure to potential consumer product liability; covenant compliance; interest rate and refinancing risk; and risks relating to information technology; cyber-security; insurance; internal controls; trade; and risks related to COVID-19.

Readers should not place undue reliance on forward-looking statements made herein. The forward-looking information contained herein is expressly qualified in its entirety by this cautionary statement. The forward-looking information contained herein is made as of the date of press release and KPT undertakes no obligation to publicly update such forward-looking information to reflect new information, subsequent or otherwise, unless required by applicable securities laws.

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